

Financial Report
South Central Planning &
Development Commission, Inc.
Houma, Louisiana
June 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-15-06

TABLE OF CONTENTS

South Central Planning & Development Commission, Inc.

June 30, 2005

	<u>Exhibits</u>	<u>Page Number</u>
Introductory Section		
Title Page		i
Table of Contents		ii – iii
Principal Officials		iv
Financial Section		
Independent Auditor's Report		1 – 2
Management's Discussion and Analysis		3 – 9
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	A	10
Statement of Activities	B	11
Fund Financial Statements:		
Fund Balance Sheet - Governmental Funds	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	E	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	15

TABLE OF CONTENTS

(Continued)

		<u>Page Number</u>
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund	G	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Economic Development Administration Revolving Loan Fund	H	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Grant Fund	I	18
Notes to Financial Statements	J	19 – 32
	<u>Schedules</u>	
Supplementary Information Section		
Combining Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Grant Fund Programs	1	33 – 34
Special Reports of Certified Public Accountants		
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		35 – 36
Report on Compliance with Requirements Applicable to each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133		37 – 38
Schedule of Expenditures of Federal Awards		39 – 40
Notes to Schedule of Expenditures of Federal Awards		41
Schedule of Findings and Questioned Costs		42 – 43
Reports By Management		
Schedule of Prior Year Findings and Questioned Costs		44
Management's Corrective Action Plan		45

PRINCIPAL OFFICIALS

South Central Planning & Development Commission, Inc.

June 30, 2005

Officers

Charlotte Randolph

Chairman

Richard Champagne

Vice Chairman

Nickie Monica

Secretary/Treasurer

Lafourche Parish

Town of Lockport

St. John the Baptist Parish

Commissioners

Martin Triche

Calvin James

Willie Reed

Charles Caillouet

Albert Laque

Desmond Hilarie

Debra Dufresne Vial

Elton Aubert

Howard Jones

Dale Hymel, Jr.

Cleveland Farlough

Ann Tatje

Don Schwab

Joey Palmisano

Wayne Thibodeaux

Joey Bouziga

Herman Bourgeois

Troas Pochè

Darrell C. Jupiter, Sr.

Assumption Parish

Assumption Parish

Assumption Parish

City of Thibodaux

St. Charles Parish

St. Charles Parish

St. Charles Parish

St. James Parish

St. James Parish

St. James Parish

St. John the Baptist Parish

St. John the Baptist Parish

Terrebonne Parish

Terrebonne Parish

Terrebonne Parish

Town of Golden Meadow

Town of Gramercy

Town of Litcher

Village of Napoleonville

Chief Executive Officer

Kevin P. Belanger

FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities and each major fund of the South Central Planning & Development Commission, Inc. (the Commission) as of and for the year ended June 30, 2005, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the South Central Planning & Development Commission, Inc. as of June 30, 2005, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund, Economic Development Administration Revolving Loan Fund and Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Accountants | Consultants
A Limited Liability Company

1

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Phone (985) 447-5243

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2005 on our consideration of South Central Planning & Development Commission, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying combining statement of governmental fund revenues, expenditures and changes in fund balance – grant fund programs and schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
November 18, 2005.

MANAGEMENT'S DISCUSSION AND ANALYSIS

South Central Planning and Development Commission, Inc.

This section of the Commission's financial report presents our discussion and analysis of the Commission's financial performance during the year ended June 30, 2005. Please read it in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Assets of the Commission exceeded its liabilities at June 30, 2005 by \$3,266,911 (net assets). Of this amount, \$490,710 (unrestricted net assets) may be used to meet the Commission's ongoing obligations.

The Commission's governmental funds reported that total assets decreased by \$70,225 or 2.92% and total liabilities decreased by \$113,628 or 7.48%. Assets exceeded liabilities at June 30, 2005 by \$933,319 (fund balance) an increase of \$43,403 or 4.88%. Of this \$933,319 in fund balance, \$31,904 is designated for building construction and \$901,415 is unreserved and undesignated.

Intergovernmental revenues of the Commission's governmental funds increased by \$1,285,822 or 61.53% due to the grant received from the State of Louisiana on behalf of the River and Bayou Parishes Mutual Aid and Assistance Task Force for the purpose of purchasing emergency preparedness equipment and the money received from the State of Louisiana, Facility Planning and Control for the building construction. Charges for services revenue increased by \$189,110 or 48.77% primarily due to an increase in contract funding while miscellaneous revenues increased by \$246,519 or 141.03% due to the balloon payments of two Revolving Loan Fund Loans. Interest revenues increased by \$13,102 or 33.42% mainly due to the interest earned on the Revolving Loan Fund bank account and loans. Total revenues increased by \$1,734,553 or 64.45%.

The Commission's total expenditures in governmental funds increased by \$1,711,900 or 64.10% with personal services increasing by 5.03%, supplies and materials increasing by 9.74%, other services and charges increasing by 40.72%, loan disbursements increasing by 174.00%, repairs and maintenance increasing by 28.66% and capital expenditures increasing by 305.60%. The significant increase in other services and charges is due to purchasing emergency preparedness equipment for certain member parishes. The significant increase in capital expenditures is due the construction of the building.

OVERVIEW OF THE FINANCIAL STATEMENTS

With the implementation of Governmental Accounting Standards Board Statement No. 34, a government's presentation of financial statements has been greatly changed. The new statements focus on the Commission as a whole (government-wide) and the major individual funds. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and should enhance the Commission's accountability.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. For governmental activities, fund financial statements tell how these services were financed in the short term as well as what remains for future spending.

Reporting the Commission as a Whole

One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most not-for-profit organizations and private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net assets and changes in them. You can think of the Commission's net assets – the difference between assets and liabilities – as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Commission's local, state and federal programs, to assess the overall health of the Commission.

Reporting the Commission as a Governmental Fund

The Commission's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's general operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. We describe the relationship (or differences) between activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations which are reflected on separate statements (see Exhibits D and F).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed Statement of Net Assets at June 30, 2005 with comparative figures from June 30, 2004:

TABLE A-1
Condensed Statement of Net Assets

	June 30,		Dollar	Total Percent
	2005	2004	Change	Change
Current and other assets	\$ 2,313,932	\$ 2,366,680	\$ (52,748)	2.2%
Capital assets	1,389,342	371,223	1,018,119	274.3%
Total assets	<u>\$ 3,703,274</u>	<u>\$ 2,737,903</u>	<u>\$ 965,371</u>	35.3%
Long-term liabilities	\$ 24,055	\$ 18,760	5,295	28.2%
Other liabilities	412,308	538,874	(126,566)	-23.5%
Total liabilities	<u>436,363</u>	<u>557,634</u>	<u>(121,271)</u>	-21.7%
Net assets:				
Invested in capital assets	1,389,342	371,223	1,018,119	274.3%
Restricted for EDA/RLF	1,386,859	1,359,943	26,916	2.0%
Unrestricted	490,710	449,103	41,607	9.3%
Total net assets	<u>3,266,911</u>	<u>2,180,269</u>	<u>1,086,642</u>	49.8%
Total liabilities and net assets	<u>\$ 3,703,274</u>	<u>\$ 2,737,903</u>	<u>\$ 965,371</u>	35.3%

For more detailed information see Exhibit A, the Statement of Net Assets.

Approximately 42.53% of the Commission's net assets as of June 30, 2005, reflect the Commission's investment in capital assets (building, office furniture and equipment), 42.45% is restricted for future Economic Development Administration Revolving Loan Fund loans and the remaining 15.02% of net assets, referred to as unrestricted, may be used to meet the ongoing obligations of the Commission.

The table on the following page provides a summary of the changes in net assets for the year ended June 30, 2005, with comparative figures from June 30, 2004:

Table A-2
Condensed Statement of Changes in Net Assets

	June 30,		Dollar	Total
	2005	2004	Change	Percent
Revenues				Change
Program revenues:				
Charge for services	\$ 576,835	\$ 387,725	\$ 189,110	48.8%
Operating grants and contributions	650,241	671,647	(21,406)	-3.2%
Capital grants and contributions	2,582,160	1,316,768	1,265,392	96.1%
General revenues:				
Dues assessment	127,183	125,475	1,708	1.4%
Grants and contributions not restricted to specific programs	93,910	50,620	43,290	85.5%
Unrestricted investment earnings	3,601	1,651	1,950	118.1%
Miscellaneous	11,381	28,165	(16,784)	-59.6%
Total revenues	4,045,311	2,582,051	1,463,260	56.7%
Expenses				
Economic Development and Assistance	2,958,669	2,311,244	647,425	28.0%
Change in net assets	1,086,642	270,807	815,835	301.3%
Beginning net assets	2,180,269	1,909,462	270,807	14.2%
Ending net assets	<u>\$ 3,266,911</u>	<u>\$ 2,180,269</u>	<u>\$ 1,086,642</u>	49.8%

The Commission's net assets increased by \$1,086,642 during the current year, primarily due to the increases in revenue described in the financial highlights.

FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

Revenues for the Commission's activities for the year ended June 30, 2005 were approximately \$4.43 million. There are four funding categories: intergovernmental (76.27%), charges for services (13.03%), interest earned (1.18%), and miscellaneous (9.52%).

The cost of all the Commission's activities was approximately \$4.38 million for the year ended June 30, 2005. There are six categories of expenditures. The Commission is a provider of services, typically the personal services category is our largest expense category, for the year ended June 30, 2005 the other services and charges was the largest category at 48.85%. The personal services category was at 16.31%, supplies and materials at 1.36%, loan disbursements at 9.38%, repairs and maintenance at .17% and capital expenditures at 23.93%. There was an increase in all six expense categories over the past year. The increase in other services and charges was due to additional expenses for the River and Bayou Parishes Mutual Aid and Assistance Task Force. The personal services category increased due to the hiring of additional staff to accommodate for an increase in the number of projects being administered by the Commission.

The increase in both the supplies and materials and the repairs and maintenance categories was minimal. There was an increase in the loan disbursements category due to the additional loans closed over the year. The increase in capital expenditures increased due to the construction of our new office building.

The Commission's financial position has continued to improve over the past several years and improved this year due to an excess of revenues over expenditures of \$43,403. Factors, which will affect the Commission's results of operation, follow. The Commission has received additional grant awards and contracts. Because, the Commission constantly faces the possibility of funding cuts from our state and federal funding sources there is a continued effort to aggressively seek additional revenue sources for future funding.

Fund Analysis

General Fund:

The General Fund is the chief operating fund of the Commission. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$482,861, while total fund balance of the General Fund was \$514,765. During the current fiscal year, the fund balance of the Commission's General Fund, increased by \$46,902 (Exhibit E). The key factor of this increase was due to revenue outpacing expenditures.

Economic Development Administration Revolving Loan Fund:

The Revolving Loan Fund is the Title IX Sudden and Severe Economic Dislocation grant, received from the Economic Development Administration, a division of the U.S. Department of Commerce. The fund balance of the Revolving Loan Fund was \$418,554 at the end of the current fiscal year. During the current fiscal year, the fund balance decreased by \$3,499 (Exhibit E). The key factor of this decrease was due to additional loan disbursements.

Grant Fund:

The Commission maintains fifteen individual grant programs. These programs are reimbursed by federal/state grants and expenditures that are not covered by the grants, are covered by transfers from the General Fund.

BUDGETARY HIGHLIGHTS

Budgets are presented to the Board of Commissioners and adopted as required by Louisiana Revised Statutes. As needed budget adjustments are made to account for any significant deviation from beginning year projections. The major difference between the original general fund budget and the final amended budget for revenues and expenditures was for building construction, the grant received from the State of Louisiana on behalf of the River and Bayou Parishes Mutual Aid and Assistance Task Force and additional contracts for member services obtained during the year. The major differences between the final amended budget of the general fund and actual was a revenue increase of \$749,901 in intergovernmental revenues and an expenditures increase of \$723,323 in other services and charges, due to an oversight in recording emergency preparedness equipment that was paid for directly from the State of Louisiana out of grant funds.

CAPITAL ASSET ADMINISTRATION

The Commission's investment in capital assets as of June 30, 2005, amounts to \$1,389,342 (net of accumulated depreciation). This investment in capital assets includes building construction in progress and furniture, fixtures, and equipment as shown in Table A-3. This amount represents a net increase of \$1,018,119 over last year.

Table A-3
Capital Assets
(Net of depreciation)

	June 30,		Dollar Change	Total Percent Change
	2005	2004		
Construction in progress	\$ 1,318,097	\$ 308,747	\$ 1,009,350	326.9%
Office furniture, equipment and fixtures	71,245	62,476	8,769	14.0%
Totals	<u>\$ 1,389,342</u>	<u>\$ 371,223</u>	<u>\$ 1,018,119</u>	274.3%

The major capital asset event during the current year was the near completion of the construction of our new office building.

More detailed information about the Commission's capital assets is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners of the Commission and management considered many factors when setting the fiscal year 2006 budget. These factors include any unusual conditions, one time expenditures and increases in rates or fees that occurred during the 2005 fiscal year or that have already been announced for the 2006 fiscal year.

Revenues for fiscal year 2006 are projected to be \$3,013,540, approximately \$1,400,000 less than the 2005 fiscal year revenues. The most significant change in revenue results from the lack of Capital Outlay funding due to the near completion of the building construction. Budgeted expenditures are expected to decrease to \$3,077,120, approximately \$1,300,000 less than 2005 fiscal year expenditures. Capital expenditures are expected to decrease due to the near completion of the office building. All other expenses categories are expected to have no significant change. The Commission's fund balance is budgeted with a decrease of approximately \$64,000. However, as additional contracts are obtained, amendments will be executed during the year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. If you have any questions about this report or need additional financial information, contact South Central Planning and Development Commission, 5058 West Main Street, Houma, Louisiana 70360 or P.O. Box 1870, Gray, Louisiana 70359.

STATEMENT OF NET ASSETS**South Central Planning & Development Commission, Inc.**

June 30, 2005

Assets

Cash	\$ 631,741
Investments	50,000
Receivables:	
Miscellaneous	26,513
Economic loans	968,305
Due from other governmental units	635,517
Deposits	1,856
Capital assets:	
Non-depreciable	1,318,097
Depreciable, net of accumulated depreciation	<u>71,245</u>
Total assets	<u>3,703,274</u>

Liabilities

Accounts payable and accrued expenses	340,952
Deferred revenue	71,356
Non-current liabilities -	
Due after one year	<u>24,055</u>
Total liabilities	<u>436,363</u>

Net Assets

Invested in capital assets	1,389,342
Restricted for Economic Development	
Administration Revolving Loan Fund	1,386,859
Unrestricted	<u>490,710</u>
Total net assets	<u>\$ 3,266,911</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**South Central Planning & Development Commission, Inc.**

For the year ended June 30, 2005

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Assets</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
Economic development					
and assistance	<u>\$ 2,958,669</u>	<u>\$ 576,835</u>	<u>\$ 650,241</u>	<u>\$ 2,582,160</u>	<u>\$ 850,567</u>
General revenues:					
Dues assessment					127,183
Grants and contributions not restricted to specific programs					93,910
Unrestricted investment earnings					3,601
Miscellaneous					<u>11,381</u>
		Total general revenues			<u>236,075</u>
		Change in net assets			1,086,642
Net assets:					
Beginning					<u>2,180,269</u>
Ending					<u>\$ 3,266,911</u>

See notes to financial statements.

FUND BALANCE SHEET -
GOVERNMENTAL FUNDS

South Central Planning & Development Commission, Inc.

June 30, 2005

	<u>General Fund</u>	<u>Economic Development Administration Revolving Loan Fund</u>	<u>Grant Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 205,694	\$ 426,047	\$ -	\$ 631,741
Investments	50,000	-	-	50,000
Receivables:				
Miscellaneous	26,513	-	-	26,513
Economic loans	-	968,305	-	968,305
Due from other governmental units	635,517	-	-	635,517
Due from other funds	7,493	-	16,513	24,006
Deposits	<u>1,856</u>	<u>-</u>	<u>-</u>	<u>1,856</u>
Total assets and other debits	<u>\$ 927,073</u>	<u>\$ 1,394,352</u>	<u>\$ 16,513</u>	<u>\$ 2,337,938</u>
Liabilities				
Accounts payable and accrued expenditures	\$ 340,952	\$ -	\$ -	\$ 340,952
Due to other funds	16,513	7,493	-	24,006
Deferred revenue	<u>54,843</u>	<u>968,305</u>	<u>16,513</u>	<u>1,039,661</u>
Total liabilities	<u>412,308</u>	<u>975,798</u>	<u>16,513</u>	<u>1,404,619</u>
Fund Balances				
Unreserved, designated for building -				
General Fund	31,904	-		31,904
Unreserved, reported in:				
General Fund	482,861	-		482,861
Special Revenue Funds	<u>-</u>	<u>418,554</u>		<u>418,554</u>
Total fund balances	<u>514,765</u>	<u>418,554</u>		<u>933,319</u>
Total liabilities and fund balances	<u>\$ 927,073</u>	<u>\$ 1,394,352</u>	<u>\$ 16,513</u>	<u>\$ 2,337,938</u>

See notes to financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

South Central Planning & Development Commission, Inc.

June 30, 2005

Fund Balances - Governmental Funds	\$	933,319
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 1,529,761	
Less accumulated depreciation	<u>(140,419)</u>	1,389,342

Deferred revenues, represent future collections of revolving loan fund receivables, are accounted for as increases in net assets in the government-wide financial statements.

968,305

Non-current liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated absences payable		<u>(24,055)</u>
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Net Assets of Governmental Activities	\$	<u>3,266,911</u>
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See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

	General Fund	Economic Development Administration Revolving Loan Fund	Grant Fund	Total Governmental Funds
Revenues				
Intergovernmental	\$ 2,809,755	\$ -	\$ 565,675	\$ 3,375,430
Charges for services	465,573	-	111,262	576,835
Interest earned	3,184	48,706	417	52,307
Miscellaneous	10,889	385,055	25,380	421,324
Total revenues	<u>3,289,401</u>	<u>433,761</u>	<u>702,734</u>	<u>4,425,896</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	352,769	-	362,014	714,783
Supplies and materials	38,480	-	20,960	59,440
Other services and charges	1,900,162	-	240,691	2,140,853
Loan disbursements	-	411,000	-	411,000
Repairs and maintenance	6,464	-	1,119	7,583
Capital expenditures	937,681	-	111,153	1,048,834
Total expenditures	<u>3,235,556</u>	<u>411,000</u>	<u>735,937</u>	<u>4,382,493</u>
Excess (deficiency) of revenues over expenditures	<u>53,845</u>	<u>22,761</u>	<u>(33,203)</u>	<u>43,403</u>
Other Financing Sources (Uses)				
Operating transfers in	100,675	-	107,618	208,293
Operating transfers out	(107,618)	(26,260)	(74,415)	(208,293)
Total other financing sources (uses)	<u>(6,943)</u>	<u>(26,260)</u>	<u>33,203</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>46,902</u>	<u>(3,499)</u>	<u>-</u>	<u>43,403</u>
Fund Balances				
Beginning of year	467,863	422,053	-	889,916
End of year	<u>\$ 514,765</u>	<u>\$ 418,554</u>	<u>\$ -</u>	<u>\$ 933,319</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

Net Change in Fund Balances - Total Governmental Funds	\$	43,403
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 1,048,834	
Depreciation expense	<u>(30,715)</u>	1,018,119

Revolving loan transactions are reported as revenue and expenditures in the governmental funds. In the government-wide financial statements, these transactions are accounted for as increases/decreases in assets and liabilities.

30,415

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Increase in compensated absences		<u>(5,295)</u>
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Change in Net Assets of Governmental Activities	\$	<u>1,086,642</u>
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See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 931,413	\$ 2,059,854	\$ 2,809,755	\$ 749,901
Charges for services	211,608	482,595	465,573	(17,022)
Interest earned	1,100	2,250	3,184	934
Miscellaneous	10,000	12,800	10,889	(1,911)
Total revenues	<u>1,154,121</u>	<u>2,557,499</u>	<u>3,289,401</u>	<u>731,902</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	264,098	356,078	352,769	3,309
Supplies and materials	30,600	61,587	38,480	23,107
Other services and charges	22,906	1,176,839	1,900,162	(723,323)
Repairs and maintenance	1,260	8,169	6,464	1,705
Capital expenditures	824,326	999,667	937,681	61,986
Total expenditures	<u>1,143,190</u>	<u>2,602,340</u>	<u>3,235,556</u>	<u>(633,216)</u>
Excess (deficiency) of revenues over expenditures	<u>10,931</u>	<u>(44,841)</u>	<u>53,845</u>	<u>98,686</u>
Other Financing Sources (Uses)				
Operating transfers in	48,659	145,153	100,675	(44,478)
Operating transfers out	(105,369)	(98,260)	(107,618)	(9,358)
Total other financing sources (uses)	<u>(56,710)</u>	<u>46,893</u>	<u>(6,943)</u>	<u>(53,836)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(45,779)</u>	<u>2,052</u>	<u>46,902</u>	<u>44,850</u>
Fund Balances				
Beginning of year	436,232	467,863	467,863	-
End of year	<u>\$ 390,453</u>	<u>\$ 469,915</u>	<u>\$ 514,765</u>	<u>\$ 44,850</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT ADMINISTRATION REVOLVING LOAN FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest earned	\$ 42,318	\$ 47,700	\$ 48,706	\$ 1,006
Miscellaneous	268,734	384,970	385,055	85
Total revenues	311,052	432,670	433,761	1,091
Expenditures				
Current:				
Economic development and assistance:				
Loan disbursements	220,000	461,000	411,000	50,000
Excess (deficiency) of revenues over expenditures	91,052	(28,330)	22,761	51,091
Other Financing Uses				
Operating transfers out	(22,259)	(26,335)	(26,260)	75
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	68,793	(54,665)	(3,499)	51,166
Fund Balances				
Beginning of year	431,696	422,053	422,053	-
End of year	\$ 500,489	\$ 367,388	\$ 418,554	\$ 51,166

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANT FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 739,140	\$ 614,696	\$ 565,675	\$ (49,021)
Charges for services	100,400	169,960	111,262	(58,698)
Interest earned	50	308	417	109
Miscellaneous	123,845	26,516	25,380	(1,136)
Total revenues	963,435	811,480	702,734	(108,746)
Expenditures				
Current:				
Economic development and assistance:				
Personal services	412,977	407,922	362,014	45,908
Supplies and materials	44,429	21,684	20,960	724
Other services and charges	491,165	232,080	240,691	(8,611)
Repairs and maintenance	500	1,050	1,119	(69)
Capital expenditures	93,333	128,186	111,153	17,033
Total expenditures	1,042,404	790,922	735,937	54,985
Excess (deficiency) of revenues over expenditures	(78,969)	20,558	(33,203)	(53,761)
Other Financing Sources (Uses)				
Operating transfers in	105,369	98,260	107,618	9,358
Operating transfers out	(26,400)	(118,818)	(74,415)	44,403
Total other financing sources (uses)	78,969	(20,558)	33,203	53,761
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**South Central Planning & Development Commission, Inc.**

June 30, 2005

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the South Central Planning & Development Commission, Inc. (the Commission) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to special districts as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The Commission was created under enabling legislation of the State of Louisiana and incorporated under the provisions of Louisiana Revised Statutes 12:201 et. seq., as amended in 1968; provided, however, that its activities shall be consistent with the powers, duties, rights and liabilities as may be deemed necessary or proper to accomplish the purposes of a regional planning or an economic development district and are for charitable, educational and scientific research purposes.

The Commission although governed by a Board of Commissioners who are directly appointed by the governing bodies of the municipalities and parishes, of which it serves, is considered a separate governmental entity because it is substantially autonomous. The Commission has no component units and the basic financial statements include all the fund types of the entity.

b) Basis of Presentation

The Commission's basic financial statements consist of the government-wide statements on all activities of the Commission and the governmental fund financial statements.

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Commission. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

the activities of the fiscal period. Governmental activities generally are financed through intergovernmental revenues and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Dues and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on the major funds in governmental categories.

The daily accounts and operations of the Commission continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the Governmental Funds of the Commission:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Special Revenue Funds reported as major funds in the fund financial statements are as follows:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Economic Development Administration Revolving Loan Fund – accounts for receipts and uses of grant funds received from the United States Department of Commerce (Economic Development Administration) to operate a revolving loan program.

Grant Fund – accounts for the receipts and disbursements of Federal and State grants and receipts of federal program services performed.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government’s availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Member assessments are recognized as revenues in the period for which they are assessed. Grant and contract revenues are recognized when earned since they are measurable and available. Interest earned and other

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

miscellaneous revenues are recorded as revenues when received in cash by the Commission because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is vacation and sick leave which are recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e) Budgets and Budgetary Accounting

The Commission, under the terms of its charter, adopts an annual budget. This budget is for the General Fund and Special Revenue Funds. Special Revenue Funds, which at June 30, 2005 consisted of various government and government agency projects, are budgeted on a project by project basis as funding becomes available. The General Fund and Special Revenue Funds budgets were amended during the year to reflect changes in budgeted revenues, expenditures and operating transfers as dictated by the circumstances.

Budgets for carryover grants and projects, which are to be performed over more than one accounting period, are reflected only to the extent they affect the current period being reported on. Budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

Major funds are included in the budget presentations in the basic financial statements. The budgets are adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Accounts Receivable

The financial statements of the Commission contain no allowance for uncollectible accounts. Uncollectible amounts due for member assessments, contract revenues and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds of the Commission.

g) Investments

Investments consist of certificates of deposit which are stated at cost and approximate market value.

h) Deferred Revenue

Member dues and restricted contributions for future periods received during the current year are reported as deferred revenues within the General Fund. Member dues and restricted contributions are considered revenues of the period for which assessed or designated by the members.

In the governmental funds, the Commission accounts for its revolving loan program in the operating accounts of a special revenue fund, Economic Development Administration Revolving Loan Fund. The receipts of its grants and subsequent loan collections are recognized as revenue and loans made to beneficiaries of the program are accounted for as expenditures. An asset "economic loans receivable" is offset on the Fund Balance Sheet – Governmental Funds by "deferred revenue." In the government-wide financial statements, these transactions are accounted for as increases/decreases in assets and liabilities.

i) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical costs or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Capital Assets (continued)

date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives of furniture, fixtures and equipment is 4 – 10 years.

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

j) Non-Current Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The non-current liabilities consist of accumulated annual leave.

Fund Financial Statements:

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

k) Vacation and Sick Leave

The Commission's policies regarding vacation and sick leave permit employees to accumulate earned but unused vacation. The liability for these compensated absences is recorded as a non-current liability in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Vacation and Sick Leave (continued)

All full-time, permanent employees of the Commission receive two weeks of vacation which accrues at a rate of 3.08 hours per pay period beginning with the first day of full-time, permanent employment. After five years of service employees will receive three weeks of vacation at a rate of 4.62 hours per pay period, and will receive an additional day of vacation per year of service after ten years of continuous employment. Vacation cannot be used for the first three months of full-time, permanent employment. Employees may carry over a maximum of one hundred hours of vacation from one fiscal year to another. Any time in excess of one hundred hours must be approved by the Chief Executive Officer before the end of the fiscal year or will be lost without compensation. Vacation is paid when an employee terminates service with the Commission.

All full-time, permanent employees of the Commission earn sick leave at the rate of one day per month or 3.69 hours per pay period. No limits on this accrual privilege have been established. Sick leave can be accumulated but does not vest and, therefore, a provision has not been made for sick leave.

l) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. At June 30, 2005 the Commission had no outstanding borrowings.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Fund Equity (continued)

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balance represents tentative plans for future use of financial resources.

m) Interfund Transactions

In the financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be paid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements.

n) Indirect Cost Plan

The Commission maintains an indirect cost plan for the allocation of costs that are incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted through June 30, 2005. These indirect costs are allocated based on direct salaries incurred by each fund benefitting from the indirect costs.

Note 2 - DEPOSITS

The Commission adopted Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures, in the current year.

Note 2 - DEPOSITS (Continued)

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

State Law requires deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	\$ 816,305	\$ 631,641
Certificates of Deposit	<u>50,000</u>	<u>50,000</u>
Totals	<u>\$ 866,305</u>	<u>\$ 681,641</u>

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of June 30, 2005, \$716,305 of the Commission's bank balance of \$866,305 was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Commission's name.

At June 30, 2005, cash and certificates of deposits were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Commission. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement

Note 2 - DEPOSITS (Continued)

on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits as shown on the Statement of Net Assets and Governmental Fund Balance Sheet is as follows:

Cash on hand	\$ 100
Carrying amount of deposits	<u>681,641</u>
 Total	 <u>\$681,741</u>
 Cash	 \$631,741
Investments	<u>50,000</u>
 Total	 <u>\$681,741</u>

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2005 consisted of the following:

<u>Agencies</u>	<u>Amount</u>
U.S. Environmental Protection Agency	\$ 43,856
U.S. Department of Transportation	11,256
Louisiana Department of Culture, Recreation and Tourism	6,075
Louisiana Department of Environmental Quality	5,685
Louisiana Department of Public Safety and Corrections	364,050
Louisiana Department of Transportation and Development	80,734
Assumption Parish	5,175
Lafourche Parish Communications District	42,125
Lafourche Parish Council	4,750
St. Charles Parish	3,750
St. James Parish	5,040
St. John the Baptist Parish	39,271
Terrebonne Parish Consolidated Government	<u>23,750</u>
 Total	 <u>\$635,517</u>

Amounts earned under various governmental projects included in due from other governmental units include \$285,437 of unbilled services at June 30, 2005.

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables consist of the following at June 30, 2005:

<u>Individual Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$7,493	\$16,513
Special Revenue Fund:		
Economic Development Administration		
Revolving Loan Fund	-	7,493
Grant Fund – Delta Regional Authority		
Grant Program	<u>16,513</u>	<u>-</u>
Totals	<u>\$24,006</u>	<u>\$24,006</u>

The balances above resulted from the time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 was as follows:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
Capital assets not being depreciated:				
Construction in progress	<u>\$ 308,747</u>	<u>\$1,009,350</u>		<u>\$1,318,097</u>
Capital assets being depreciated:				
Furniture, fixtures and equipment	181,276	39,484	\$ 9,096	211,664
Less accumulated depreciation for:				
Furniture, fixtures and equipment	<u>(118,800)</u>	<u>(30,715)</u>	<u>(9,096)</u>	<u>(140,419)</u>
Total capital assets being depreciated, net	<u>62,476</u>	<u>8,769</u>	<u>-</u>	<u>71,245</u>
Total capital assets, net	<u>\$ 371,223</u>	<u>\$1,018,119</u>	<u>\$ -</u>	<u>\$1,389,342</u>

At June 30, 2005, construction in progress consisted of an office building to house administration and conference rooms.

Note 6 - NON-CURRENT LIABILITIES

Non-current liabilities at June 30, 2005 consisted of accumulated annual leave (vacation pay) amounts vested with employees. The following is a summary of changes in the non-current liabilities of the Commission for the year ended June 30, 2005:

Long-term obligations, July 1, 2004	\$ 18,760
Net increase in accumulated unpaid annual leave	<u>5,295</u>
Long-term obligations, June 30, 2005	<u>\$ 24,055</u>

Funding of accumulated annual leave is to be provided from revenues of various funds at the time paid.

Note 7 - DEFERRED REVENUES

Deferred revenues are reported in the General Fund, Economic Development Administration Revolving Loan Fund and the Grant Fund for the Economic Development Administrative Program at June 30, 2005. For the year ended June 30, 2005, the General Fund's deferred revenue activity consisted of the following:

	<u>General Fund</u>		
	<u>Member</u>		
	<u>Dues</u>	<u>Grants</u>	<u>Total</u>
Balance July 1, 2004	\$127,183	\$44,000	\$171,183
Grant advances	-	75,000	75,000
Revenues – intergovernmental	<u>(127,183)</u>	<u>(64,157)</u>	<u>(191,340)</u>
Balance June 30, 2005	<u>\$ -</u>	<u>\$54,843</u>	<u>\$ 54,843</u>

Deferred revenue within the Economic Development Administration Revolving Loan Fund and Grant Fund relate to the Commission's revolving loan program and advances from the Economic Development Administrative Program Grant. Activity for the year ended June 30, 2005 consisted for the following:

		<u>Grant Fund</u>	
	<u>Economic Development Administration Revolving Loan Fund</u>	<u>Economic Development Administration Program</u>	<u>Delta Regional Authority Program</u>
Balance July 1, 2004	\$937,890	\$ -	\$ 30,000
Grant advances/billings	-	72,903	7,521
Grant revenues	-	(56,390)	(37,521)
New loans	411,000	-	-
Loan collections	<u>(380,585)</u>	<u>-</u>	<u>-</u>
Balance June 30, 2005	<u>\$ 968,305</u>	<u>\$ 16,513</u>	<u>\$ -</u>

Note 8 - RECONCILIATION OF TRANSFERS

A reconciliation of operating transfers for the year ended June 30, 2005 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Economic Development Administration		
Revolving Loan Fund	\$ 26,260	\$ -
Grant Fund	74,415	107,618
Economic Development Administration:		
Revolving Loan Fund:		
General Fund	-	26,260
Grant Fund:		
General Fund	<u>107,618</u>	<u>74,415</u>
Total	<u>\$ 208,293</u>	<u>\$ 208,293</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Note 9 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 10 - ECONOMIC DEPENDENCY

The Commission received a majority of its revenue from funds provided by federal/state government grants, local government entities, contracts and member (local governments) dues. Certain grants, contracts and member dues are required to be appropriated each year by the various levels of government. The state of Louisiana incurred significant losses as a result of Hurricanes Katrina and Rita in August and September 2005. Hurricane relief and recovery efforts have stretched the State's finances and increased the likelihood of cuts in the Commission's funding from the State. If significant budget cuts are made at the federal/state and/or local government levels, the amount of funds that the Commission will receive could be reduced significantly and have an adverse impact on

Note 10 - ECONOMIC DEPENDENCY (Continued)

its operations. Management is not able to estimate at this time the amount of funds that the Commission will receive from future state funding. However, management believes that it will receive sufficient funds to avoid a material impact on the Commission's future operations.

Note 11 - COMPENSATION OF COMMISSIONERS

Commissioners for South Central Planning & Development Commission, Inc. received no compensation during the year ended June 30, 2005.

SUPPLEMENTARY INFORMATION SECTION

GRANT FUND PROGRAMS

Economic Development Administration Grant Program - To account for receipts and uses of grant funds received from the United States Department of Commerce (Economic Development Administration) which are restricted to uses as specified in the grant documents.

Louisiana Department of Culture, Recreation and Tourism Grant Program - To account for receipts and uses of grant funds received from the Louisiana Department of Culture, Recreation and Tourism which are restricted to uses as specified in the grant document.

Nonpoint Source Pollution Implementation Program - To account for receipts and uses of EPA funds provided by the Department of Environmental Quality, State of Louisiana for "Extension of Urban Subcommittee to Localized Nonprofit Source Coalitions: Barataria and Terrebonne Basins" which are restricted to those uses as specified in the vendor contract documents.

EPA Environmental Justice Solid Waste Grant Program - To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses as specified in the grant documents.

Louisiana Highway Safety Commission Safe Community Grant Program - To account for receipts and uses of grant funds received from the State of Louisiana, Department of Public Safety and Corrections which are restricted to those uses as specified in the contract documents.

MPO Transit Planning Services Grant Program - To account for receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development Public Transportation Section, which are restricted to uses as specified in the contract documents.

MPO Highway Services Grant Program - To account for receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development, which are restricted to uses as specified in the contract documents.

Transportation and Community and System Preservation Pilot Program Grant Program - To account for receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development which are restricted to uses as specified in the contract documents.

NHTSA, Targeting Alcohol Impaired Driving Grant Program - To account for receipts and uses of grant funds received from the United States Department of Transportation National Highway Traffic Safety Administration (NHTSA) which are restricted to uses as specified in the contract documents.

EPA Louisiana Brownfields Pilot Program Grant Program – To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses specified in the grant documents.

Federal Highway Administration Demonstration and Evaluation of Rational Speed Limits Grant Program – To account for receipts and uses of grant funds received from the United States Department of Transportation Federal Highway Administration which are restricted to uses specified in the grant documents.

Delta Regional Authority Grant Program – To account for receipts and uses of grant funds received from Delta Regional Authority.

River Region Transportation Master Plan Grant Program – To account for receipts and uses of federal funds passed through by the State of Louisiana, Department of Transportation and Development which are restricted to uses as specified in the vendor contract documents.

Louisiana Highway Safety Commission Drinking and Driving Course Grant Program – To account for receipts and uses of grant funds received from the State of Louisiana, Department of Public Safety and Corrections which are restricted to those uses as specified in the contract documents.

EPA Clean Water Action Plan – To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses as specified in the grant documents.

COMBINING STATEMENT OF GOVERNMENTAL FUND REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCE -
GRANT FUND PROGRAMS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

	Economic Development Administration Grant Program	Louisiana Department of Culture, Recreation and Tourism Grant Program	Nonpoint Source Pollution Implementation Program	BPA Environmental Justice Solid Waste Grant Program	Louisiana Highway Safety Commission Safe Community Grant Program	MPO Transit Planning Services Grant Program	MPO Highway Services Grant Program
Revenues							
Intergovernmental	\$ 56,390	\$ 20,443	\$ -		\$ 72,902	\$ 29,628	\$ 166,571
Charges for services	-	-	59,512		-	-	-
Interest earned	409	-	-		-	-	-
Miscellaneous	-	22,087	-		3,093	-	-
Total revenues	56,799	42,530	59,512		75,995	29,628	166,571
Expenditures							
Current:							
Economic development and assistance:							
Personal services	70,443	-	11,610	\$ 4,383	17,951	22,208	123,638
Supplies and materials	68	2,899	253	-	1,883	4,380	8,544
Other services and charges	20,850	39,631	2,323	579	51,759	3,099	24,054
Repairs and Maintenance	-	-	-	-	-	-	1,119
Capital expenditures	-	-	85,000	-	1,699	-	18,601
Total expenditures	91,361	42,530	99,186	4,962	73,292	29,687	175,956
Excess (deficiency) of revenues over expenditures	(34,562)	-	(39,674)	(4,962)	2,703	(59)	(9,385)
Other Financing Sources (Uses)							
Operating transfers in	34,562		39,674	4,962	2,554	59	9,385
Operating transfers out	-		-	-	(5,257)	-	-
Total other financing sources (uses)	34,562		39,674	4,962	(2,703)	59	9,385
Excess of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-	-	-	-	-
Fund Balance							
Beginning of year	-	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Transportation and Community and System Preservation Pilot Program Grant Program	NIITSA, Targeting Alcohol Impaired Driving Grant Program	EPA Louisiana Brownfields Pilot Program Grant Program	Federal Highway Administration Demonstration and Evaluation of Rational Speed Limits Grant Program	Delta Regional Authority Grant Program	River Region Transportation Master Plan Grant Program	Louisiana Highway Safety Commission Drinking and Driving Course Grant Program	EPA Clean Water Action Plan	Total
\$ 14,694	\$ 1,802	\$ 67,219	\$ 80,070	\$ 37,521	\$ -	\$ 15,000	\$ 3,435	\$ 565,675
-	-	-	-	-	51,750	-	-	111,262
-	-	-	8	-	-	-	-	417
-	-	-	20	-	-	180	-	25,380
<u>14,694</u>	<u>1,802</u>	<u>67,219</u>	<u>80,098</u>	<u>37,521</u>	<u>51,750</u>	<u>15,180</u>	<u>3,435</u>	<u>702,734</u>
12,588	5,800	14,039	56,664	3,130	9,162	8,286	2,112	362,014
-	113	81	1,362	92	-	1,285	-	20,960
2,758	-	55,178	31,652	638	1,732	5,115	1,323	240,691
-	-	-	-	-	-	-	-	1,119
-	-	-	-	-	5,853	-	-	111,153
<u>15,346</u>	<u>5,913</u>	<u>69,298</u>	<u>89,678</u>	<u>3,860</u>	<u>16,747</u>	<u>14,686</u>	<u>3,435</u>	<u>735,937</u>
(652)	(4,111)	(2,079)	(9,580)	33,661	35,003	494	-	(33,203)
652	4,111	2,079	9,580	-	-	-	-	107,618
-	-	-	-	(33,661)	(35,003)	(494)	-	(74,415)
<u>652</u>	<u>4,111</u>	<u>2,079</u>	<u>9,580</u>	<u>(33,661)</u>	<u>(35,003)</u>	<u>(494)</u>	-	<u>33,203</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

We have audited the financial statements of South Central Planning & Development Commission, Inc., (the Commission), as of and for the year ended June 30, 2005, and have issued our report thereon dated November 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of the Board of Commissioners, management, the Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
November 18, 2005.



Bourgeois Bennett

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

Compliance

We have audited the compliance of South Central Planning & Development Commission, Inc., (the Commission), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2005. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, management, Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
November 18, 2005.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

<u>Federal Grantor/Pass- Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award/ Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Commerce -			
Economic Development Administration			
Support for Planning Organizations	11.302	08-83-03904	\$ 56,390
Sudden and Severe Economic Dislocation Adjustment Revolving Loan Fund	11.307	08-59-02912.01	1,375,150
Total Department of Commerce			1,431,540
U.S. Department of the Interior -			
National Park Service			
<u>Pass-Through Payments:</u>			
<u>Recreation and Tourism, State of Louisiana:</u>			
<u>Office of Cultural Development:</u>		22-03-18218	
Historic Preservation	15.904	22-04-19319	20,443
U.S. Department of Transportation:			
Federal Highway Administration			
Demonstration and Evaluation of Rational Speed Limits		DTFH61-02-X-00120	80,070
<u>Pass-Through Payments:</u>			
<u>Louisiana Department of Transportation and Development:</u>			
Metropolitan Planning	20.205	PL-0011 (028) ER-93 (004)	133,257 46,117
Transportation and Community System Preservation	20.205	TCSP-5500 (507)	14,694
Federal Transit Administration			
<u>Pass-Through Payments:</u>			
<u>Louisiana Department of Transportation and Development:</u>			
Transit Planning	20.505	LA-80-X013	23,702
National Highway Traffic Safety Administration			
Demonstration Project Targeting Alcohol Impaired Driving by Individuals Age 21 through 34	20.600	DTNH22-01-H-35156	1,802
<u>Pass-Through Payments:</u>			
<u>Department of Public Safety and Corrections -</u>			
<u>Louisiana Highway Safety Commission</u>			
South Central Safe Community Program	20.600	SA 05-02-00	41,123
South Central Safe Community Program	20.601	J8 05-16-00	14,506
South Central Safe Community Program	20.605	P3 04-23-00	26,522
Total Department of Transportation			381,793

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

<u>Federal Grantor/Pass- Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award/ Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Environmental Protection Agency:			
Office of Administration			
South Central Louisiana Clean Water Action Plan	66.606	XP-97685601	3,435
Office of Solid Waste and Emergency Response			
Louisiana Brownfields Pilot Program	66.811	BP-97611501-0	67,219
Total Environmental Protection Agency			70,654
Delta Regional Authority			
2004 Grant Program	90.200		37,521
U.S. Department of Homeland Security			
<u>Pass-Through Payments:</u>		2004-GE-T4-0004	
<u>Louisiana Department of Public Safety and Corrections</u>		2003-MU-T3-0022	
River Bayou Parish Mutual Aid and Assistance Task Force	97.004	2003-TE-TX-0163	1,756,646
Total			\$ 3,698,597

See notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

South Central Planning & Development Commission, Inc.

June 30, 2005

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the South Central Planning & Development Commission, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - VALUE OF LOANS OUTSTANDING

The value of loans outstanding at June 30, 2005 for the Sudden and Severe Economic Dislocation Adjustment Revolving Loan Fund was \$968,305.

Note 3 - FINDINGS OF NONCOMPLIANCE

No federal award findings or questioned costs were reported during the audit for the year ended June 30, 2005.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major program: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes X no

c) Identification of Major Programs:

CFDA Number

Name of Federal Program (or Cluster)

97.004

River Bayou Parish Mutual Aid and Assistance Task Force

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

Section I Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

Section II Financial Statement Findings

No financial statement findings were noted during the audit of the basic financial statements for the year ended June 30, 2005.

Section III Federal Award Findings and Questioned Costs

No federal award findings or questioned costs were reported during the audit for the year ended June 30, 2005.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2004.

No reportable conditions were reported during the audit for the year ended June 30, 2004.

Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended June 30, 2004.

Section II Internal Control and Compliance Material to Federal Awards

No findings or questioned costs were reported during the audit for the year ended June 30, 2004.

Section III Management Letter

04-1 Recommendation - We recommend that the Commission comply with the State budget laws by amending its budget to ensure actual revenues and other sources are not less than budgeted revenues and other sources by five percent or more and actual expenditures and other uses are not greater than budgeted expenditures and other uses by five percent or more. The Commission should account for non-cash transactions when budgeting revenues and expenditures.

Management's Response – The Commission has complied with the State budget laws. Resolved.

MANAGEMENT'S CORRECTIVE ACTION PLAN

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2005

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2005.

No reportable conditions were reported during the audit for the year ended June 30, 2005.

Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended June 30, 2005.

Section II Internal Control and Compliance Material to Federal Awards

No findings or questioned costs were reported during the audit for the year ended June 30, 2005.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2005.